



OFFICE OF SURFACE MINING

2005 Annual Evaluation Summary Report

for the
Regulatory and Abandoned Mine Lands
Programs

Administered by the State of

INDIANA

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Indianapolis Area Office
Office of Surface Mining

Table of Contents

I.	Executive Summary	ii
II.	Introduction.....	1
III.	Overview of Coal Mining Industry.....	2
IV.	Overview of Public Participation in the Program.....	4
V.	Major Accomplishments/Issues/Innovations	6
VI.	Success in Achieving the Purposes of SMCRA.....	11
	A. Off-site Impacts.....	12
	B. Reclamation Success	13
	C. Customer Service	17
VII.	OSM Assistance	17
VIII.	General Oversight Topic Reviews	20
Appendix A:	Tabular Summary of Core Data to Characterize the Program	23
Appendix B:	State Comments on the Report	24

Cover page is a photo of a coal conveyor and stockpile at Black Beauty Coal Company, Somerville South Mine

I. Executive Summary

During the 2005 Evaluation Year (EY), the Office of Surface Mining (OSM), Indianapolis Area Office (IAO), conducted oversight evaluations of the Indiana Department of Natural Resources, Division of Reclamation (IDOR), Regulatory and Abandoned Mine Land (AML) Programs. Oversight activities focused on the success of the agency in meeting Surface Mining Control and Reclamation Act (SMCRA) goals for environmental protection, and prompt, effective reclamation of land mined for coal. A Performance Agreement (evaluation plan) for each program was cooperatively developed by the IAO and the State tailoring oversight activities to the unique conditions of each State program. The purpose of these oversight activities was to identify any program assistance needs of the State to strengthen its programs.

In support of OSM's national initiatives, studies were conducted in the areas of off-site impacts, reclamation success (bond release), and customer service.

- The off-site impacts study indicated that 93.1 percent of Indiana's inspectable units were free from off-site impacts. The numbers of off-site impacts the IDOR observed during the evaluation year were few. Most observations were minor hydrologic impacts on land and water resources. The IAO concludes that the insignificant numbers of identified on-the-ground impacts and violations substantiate that the State is administering a successful surface mining regulatory program.
- The IAO's review of 12 bond release actions demonstrated that the IDOR continues to follow all program requirements for releasing bonds. Based on this measurement, the Indiana Regulatory Program is effectively ensuring successful reclamation.
- The IAO's customer service evaluation concentrated on the effectiveness of customer service provided by the IDOR in responding to citizens' written comments/objections relating to permit decisions. The IAO evaluated the State's responses to comments pertaining to permit actions occurring between July 1, 2001 and June 30, 2004. There were 24 permit actions in that time period for which there were a total of 99 citizen comments. The IAO found the State's responses to be appropriate and consistent with program requirements, leading to the conclusion that the IDOR is providing effective customer service to citizens who comment on permit actions.

General oversight topic reviews of the State's Regulatory and AML Programs conducted during EY 2005 were as follows:

- The IAO selected 50 inspectable units for complete inspections to evaluate IDOR effectiveness in protecting the public and the environment from off-site impacts and other on-the-ground problems resulting from surface coal mining and reclamation operations. These inspections were intended to identify the cause and degree of off-site impacts, and to direct efforts toward decreasing their occurrence. The IAO performed 49 of the selected number, the results of which indicated that the IDOR administers an effective program meeting SMCRA requirements.

- A cooperative IAO-State AML Program evaluation of the State's site revegetation efforts which began in EY 2003, culminated in 2005. Completed reclamation projects of varying ages, seeding, and management regimens were evaluated to help identify the most successful and cost effective reclamation strategies. The purpose of this endeavor was achieved, and the AML Program will consider continuing this as an ongoing evaluation without IAO direct involvement.
- The IAO and IDOR completed a cooperative study begun in EY 2003 of issues surrounding a trend of increasing residential development on unreclaimed abandoned mine lands, potentially placing people in jeopardy. The purpose of this study was to determine appropriate program policy and action in view of this trend. The initial result of this study was to educate the public, and a draft publication entitled "What You Need to Know about Living near Indiana Coal Mines" was developed in EY 2004. This booklet, designed as a guide for landowners, developers, and local officials to better assess abandoned mine lands before building, was finalized in EY 2005. However, the IDOR was not able to print the booklet immediately, so the cooperative effort was concluded, considering the public outreach document to have fulfilled the purpose of the study. With this final result, OSM involvement was culminated, and the IDOR assumed responsibility for publication and distribution at a later date.
- To address a national audit report recommendation issued by the Department of the Interior's Inspector General in 2003, the IAO conducted oversight in EY 2004 certifying that the State has in place a system to ensure that data entered into the AML Inventory System (AMLIS) is accurate. In EY 2005, the IAO conducted its first annual review of data entered into the AMLIS by the State verifying that it matched information maintained in hard copy.
- The IAO conducted AML project post-reclamation site inspections to evaluate the State Program's on-the-ground success. In May 2005 the IAO visited fifteen federally funded, non-emergency completed projects. Although a couple of sites needed normal maintenance actions, the IAO concluded that the AML Program achieved overall long-term reclamation success resulting in a net benefit to society.

In addition to national initiatives, and topical reviews, the IAO engaged in a number of assistance activities during the review period. The primary mode of OSM assistance to Indiana is through grant funding. Indiana was awarded \$1.99 million in EY 2005, providing 50 percent support for its Regulatory Program. OSM provides 100 percent funding for the Indiana AML Program, which totaled \$5.38 million in EY 2005.

OSM provides ongoing technical assistance to State and Tribal programs. One way is by offering a wide range of technical training courses throughout the year. In EY 2005, several individuals from Indiana's Regulatory and AML Programs attended these training courses. Another way is through the Technical Information Processing System and its workstations and software OSM provides for State use in permit processing and engineering evaluations, for example. Still another way is in responding to assistance requests concerning specific matters. In EY 2005, OSM provided requested assistance to Indiana in the following matters.

- OSM continued to work with the IDOR and the U.S. Fish and Wildlife Service (FWS) to develop a conservation plan for the protection of endangered Indiana Bats found in areas proposed for mining. A draft document was developed entitled “Indiana Bat Conservation Measures” and was reviewed by the mining industry during EY 2005. Industry representatives requested to meet with IDOR and the FWS to discuss issues, but at the close of EY 2005 this meeting had not been scheduled. Although this effort is not completed, Indiana is already implementing certain conservation measures through its permitting and inspection processes. OSM assistance will continue.
- The Chief of the Alton Field Division/IAO sits on the Executive Board of the Indiana Society for Mining and Reclamation. This Board identifies relevant topics and sponsors a Technology Seminar each year. The seminar was held December 6-7, 2004, in Jasper, Indiana, with 127 participants from both the public and private sectors.
- The IAO continued participation in the Indiana Soils/Prime Farmland Team. This self-directed group is composed of representatives of OSM, the IDOR, the Natural Resources Conservation Service, the coal industry, the Sierra Club, academia, the Purdue University Cooperative Extension Service, the Daviess County Soil and Water Conservation District, the Indiana Farm Bureau, and the Indiana Department of Agriculture. The Team’s focus is on restoration of mined agricultural land, and management of reclaimed farm land. In EY 2005, the Team worked on developing a booklet concerning agriculture management practices for reclaimed farmland and expects it to be ready for publication in 2006. The Team sponsored its fourth Prime Farmland Reclamation Field Day which was held June 30, 2005 at the Black Beauty Coal Company’s Francisco Mine near Francisco, Indiana. Approximately 98 individuals attended, including government agency representatives, the coal industry, and some from the farming community.
- OSM continued providing assistance through participation on the IDOR AML Subsidence Team, formed in 1999 to develop proactive methods for preventing and minimizing damages caused by mine subsidence. Three initiatives have been completed since the team’s inception: (1) supplying information about subsidence for a booklet the IDOR is developing entitled “What You Should Know About Living Near Indiana Coal Mines,” (2) developing specifications for, and soliciting a contractor to install a subsidence early warning system at the Loge Elementary school in Boonville, Indiana, and (3) engaging the Indiana Geological Survey (IGS) to develop a Geographic Information System (GIS) based protocol for prioritizing subsidence prone areas for preventive abatement by the AML Program. OSM assistance continued during EY 2005.
- OSM provided requested assistance in designing an acid mine drainage (AMD) treatment wetland associated with the State’s Enos Tipple and Gob Pile AML Project. Project plans were provided to the State and project construction got underway in EY 2005. OSM’s assistance is nearing completion.

- OSM responded to a request from the AML Program to assist in GPS surveying for remote sensing control on the Program's Interlake Project. Field work was completed in May 2005, and data was processed in collaboration with the AML Program staff.
- OSM worked with the AML Program staff on water chemistry and passive treatment design options for the Blackfoot AML site. Water samples were taken, test results provided to the State, and various recommendations relative to data collection efforts were provided by OSM during EY 2005.
- In October 2004, OSM conducted a three day AMD Workshop in Evansville, Indiana in response to a request from the State. Participants examined case studies of active and passive AMD treatment systems in a variety of geologic settings, and engaged in practical exercises included in field trips.

II. Introduction

SMCRA created OSM in the Department of the Interior. SMCRA provides authority to OSM to oversee the implementation of, and provide Federal funding for, State Regulatory and Abandoned Mine Land Reclamation Programs approved by OSM as meeting the standards specified in SMCRA. This report contains summary information regarding the Indiana program and its effectiveness in meeting the applicable purposes of SMCRA as specified in section 102. This report covers the period of July 1, 2004, to June 30, 2005. Detailed background information and comprehensive reports for the program elements evaluated during the period are available for review and copying at the IAO of the OSM.

The following acronyms appear in this report:

ACSI.....Appalachian Clean Streams Initiative
 AMD.....Acid Mine Drainage
 AML..... Abandoned Mine Land
 AMLIS.....Abandoned Mine Land Inventory System
 AOC.....Approximate Original Contour
 AVS.....Applicant Violator System
 CADComputer Assisted Design
 EYEvaluation Year
 FWSU. S. Fish and Wildlife Service
 GIS.....Geographical Information System
 GPSGeographic Position System
 HNRHorizon Natural Resources Company
 IDOR.....Indiana Department of Natural Resources, Division of Reclamation
 IAO.....Indianapolis Area Office of the OSM
 IGS.....Indiana Geological Survey
 NOV.....Notice-of-Violation
 NCAANational Collegiate Athletic Association
 OSM..... U. S. Department of the Interior, Office of Surface Mining
 RC&D.....Resource Conservation and Development Area
 SMCRA.....Surface Mining Control and Reclamation Act of 1977, PL 95-87
 SWCDSoil and Water Conservation District

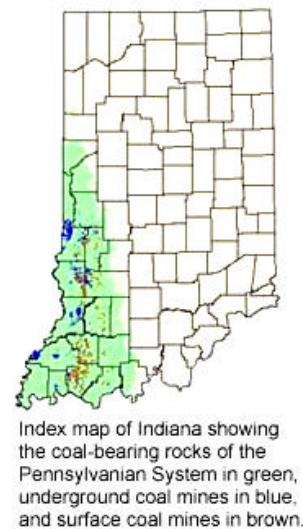
III. Overview of the Indiana Coal Mining Industry

Coal Resources

The Indiana coalfield covers an area of about 6,500 square miles in west-central and southwestern Indiana (see map at right). It constitutes the eastern edge of the Illinois Coal Basin, a basin that covers parts of a three-state area, including most of Illinois and western Kentucky. Indiana coal seams dip about 25 feet per mile to the west toward the center of the Illinois Coal Basin. This configuration largely accounts for the location of surface and deep mines in Indiana.

Twenty counties within, or partly within, the Indiana coalfield have significant coal reserves. Currently, however, coal is being mined in only 10 counties. Indiana has an approximate 34 billion ton coal reserve, 18 billion tons of which are recoverable using current technology. Of the recoverable coal, about 16 billion tons can be extracted through underground mining and 2 billion tons through surface mining.

Coal production in Indiana comes from beds within the Pennsylvanian System. All coals are ranked as high-volatile, bituminous coal, and are characterized as follows:



Indiana Coal Values

<i>Value</i>	<i>High</i>	<i>Low</i>
Moisture Content	15%	5%
Heating Value In BTU	12,000	10,500
Ash Content	20%	5%
Sulphur Content	6%	0.5%

Historical Highlights

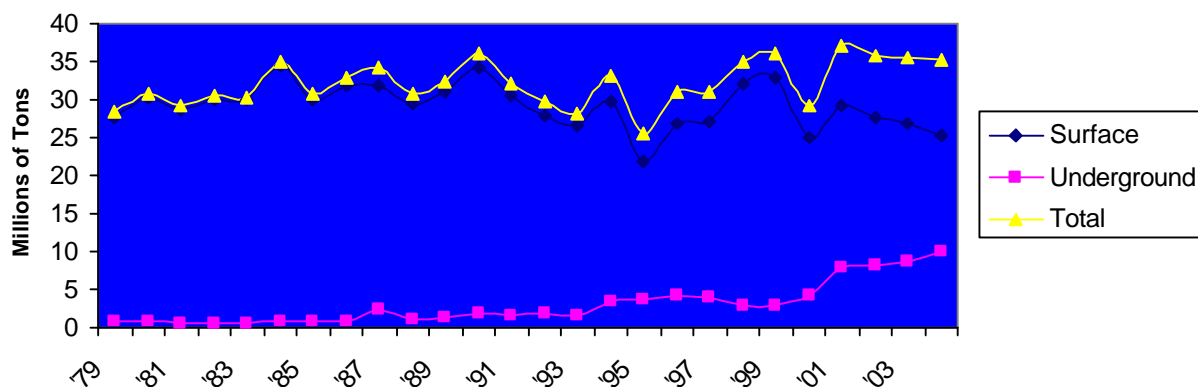
Coal was first discovered in Indiana along the Wabash River in 1736, and was reported in land surveys and its location marked on maps by 1804. Small-scale surface mining along exposed coal seams was done at first by pick and shovel and later by horse and scraper. The first underground mine shaft in Indiana was developed in 1850 at Newburgh, Indiana, and by 1852 both shaft and slope mines had become common. In 1840 production was around 9,700 tons, and by 1918 at the close of World War I, production in Indiana had reached over 30,000,000 tons per year. With the advent of steam-powered equipment, surface mining began on a large scale and since that time has remained a strong and viable industry.

Coal Mining

While underground mining was once the major method of coal extraction in the state, in recent decades Indiana coal has come primarily from surface mines. As technology advanced from steam-powered equipment in the first half of the twentieth century, to diesel, and then to electric power, so the size of equipment advanced. Twenty-five years ago coal was usually surface mined at depths of no more than 65 feet. Today surface mining equipment is capable of removing overburden to mine coal seams approaching 200 feet in depth.

However, because a large portion of the surface reserves has already been removed, in the future surface mining activities are expected to decline, accompanied by a resurgence of underground mining in deeper coal beds. In fact, this resurgence is already evident. In 1990, 5 percent of Indiana's coal production was from underground mines; in 1997, 12.9 percent; and in 2004, 28 percent of total tonnage came from underground mining.

Indiana Coal Production 1979 - 2004



Annual coal production in Indiana during the last 5 years has averaged a little over 34 million tons, with a value of about \$600 million. According to the National Mining Association survey of major producers, three of the nation's major underground coal mines are located in Indiana, producing a total of 5.4 million short tons of coal in 2003, and six major U.S. surface mines, producing 18 million short tons of coal in 2003.

In 2003, Energy Information Administration figures (most recent data) indicate that the Indiana coal industry employed an average workforce of 2,772 directly, and thousands more in the various support and associated service industries.

Uses of Indiana Coal

Most of Indiana's coal is used by the electric utility industry, which burns a combination of Indiana coal, and lower sulfur, out-of-state coal to meet current air pollution emission requirements. In 2002, the total electric generation in Indiana was 125,608,139 million

megawatt hours. Coal-fired power plants account for 94% of Indiana power generation and consume nearly 56 million tons of coal, according to the Energy Information Administration. Additionally, by law, Indiana state institutions heating with coal-fired boilers are required to use Indiana coal. Other consumer uses includes coke plants, residential and commercial users, other industrial customers, and foreign export.

IV. Overview of the Public Participation Opportunities in the Oversight Process and the State Program

The *Indiana Soils/Prime Farmland Team* consists of representatives from the IDOR, OSM, the Natural Resources Conservation Service, the Indiana coal industry, the Sierra Club, academia, the Purdue University Cooperative Extension Service, the Daviess County Soil and Water Conservation District, the Indiana Farm Bureau, and the Indiana Department of Agriculture. This Team, formed in 1996, meets periodically to address prime farmland issues. Because of the wide range of public participation on this Team, it is a valuable resource for the State program.

This self-directed group's focus is on restoration of mined agricultural land, and management of reclaimed farm land. During its tenure the Team has aided in farmland reclamation research efforts, and has published a "Citizen's Guide to Farmland Reclamation." In 2004, the Team began developing a booklet presenting successful agriculture management practices for reclaimed farmland. The Team continued work on the development of this booklet in EY 2005, and anticipates completion and publication next year.

On June 30, 2005, the Team sponsored a Prime Farmland Reclamation Field Day at the Black Beauty Coal Company's Francisco Mine near Francisco in Gibson County Indiana (the fourth such field day sponsored by the Team). The Francisco Mine has 5,717.4 acres permitted, and 3,532.6 acres (61.8%) of it is post mining prime farmland. Corn and soy bean target yields on reclaimed prime farmland at the mine are 130.6 and 45.5 bushels per acre respectively



based on pre-mining county averages. Participants heard a brief discussion of the permitting process including bond release standards, observed the coal extraction process, observed and discussed the truck/shovel method of topsoil and subsoil removal, observed deep ripping and land leveling demonstrations, and heard presentations on current research relating to prime farmland restoration and the implementation of fish and wildlife land use on mined lands.

Fifty educators attended the *Minerals Education Workshop* on November 5-6, 2004, at Rose-Hulman Institute of Technology in Terre Haute, Indiana. This was the fifth annual workshop sponsored by the IDOR. Geared for teachers from kindergarten through middle school, this workshop provides the opportunity to learn about many aspects of mining, electricity, and information on minerals and their impacts on our daily lives. The first day was devoted to hands-on activities that the teacher can use immediately in the classroom. Division staff, and a guest from the Illinois Department of Mines and Minerals, taught the sessions. All activities presented during the day, along with others, were compiled into a teacher's manual of lesson plans for all age groups. Teachers took home a large plastic tote full of materials to facilitate their teaching of the subjects they learned. A tour of the Black Beauty Coal Company Farmersburg Mine was given on the second day of the workshop. This tour allowed the teachers to see the activities discussed on day one in real world situations.

The IDOR conducts other *educational outreach programs*, such as school room talks, career days, Earth Day programs, and maintains an exhibit at the State Fair each year. In EY 2005, the IDOR reached between 8,800 and 9,000 individuals, not counting the State Fair display, for which no count is taken.

Through its Partners for Reclamation Program, the IDOR-AML Program works cooperatively with area Resource Conservation and Development (RC&D) Councils to give landowners an opportunity to restore certain lands adversely affected by past coal mining. Once the county Soil and Water Conservation District (SWCD) accepts a project, the IDOR reviews the proposed project for compliance with all applicable regulations, and may fund up to 85% of project cost through the RC&D. The RC&D can assist the property owner with the project.

The *Indiana Coal Council* is the primary representative of the coal industry in the State, while the environmental community is primarily represented by the *Hoosier Environmental Council*. The IDOR maintains as needed contacts with these organizations, their members, and citizens throughout the evaluation year.

The IDOR successfully implements the required public participation provisions of all aspects of its regulatory and AML Programs. In addition to addressing the required provisions of public participation, Indiana has taken a pro-active position regarding outreach and the distribution of information to all stakeholders. Under its "Operation Excellence" Program, Indiana established a goal "To create a greater public awareness of, and appreciation for Division programs through the use of various written, audio, and visual media."

The following informational publications are present on the IDOR web site as well as through phone or mail and personal contact:

Citizen's Guide to Indiana's Abandoned Mine Land Program,
Citizen's Guide to Coal Mining and Reclamation in Indiana,
Citizen's Guide to Land Reclamation,

*Division of Reclamation Annual Report, and
Division of Reclamation Strategic Plan.*

The IDOR site also provides abundant information about the mission of the agency, the programs administered by the agency, and tools and publications available to the public.

Indiana continues to be pro-active in meeting controversial situations head on. It routinely conducts meetings and gathers public input when significant questions arise about a program area under its jurisdiction.

All of this is part of an overall strategy by the State directed toward better citizen understanding and involvement in the Regulatory and Abandoned Mine Land Programs.

V. Major Accomplishments/Issues/Innovations in the Indiana Program

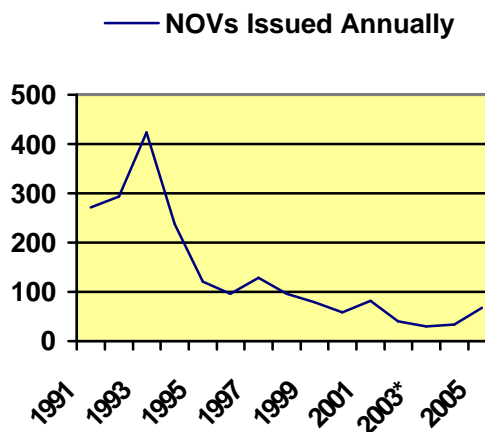
Indiana maintained its Regulatory Program in EY 2005 to assure that the approved program remains effective in providing protection from the adverse effects of surface coal mining operations. Indiana also maintains a cooperative agreement with OSM to administer the State program requirements on federally owned land. Indiana has proposed several amendments to assure that its program remains timely and as effective as the Federal requirements.

Adopted State Program Final Rules

During this evaluation year, three State Program amendments were approved. A final rule was published September 14, 2004, approving Indiana Program amendments pertaining to the definition of “government entity” and “government financed construction”; provisions relating to release of performance bonds, the Indiana Bond Pool; and procedures for abandoned mine land projects receiving less than 50 percent government financing. On October 1, 2004, a State initiated program amendment was approved concerning blasting schedules, and blaster certification. Then on November 29, 2004, OSM approved multiple rule changes initially requested in OSM’s 30 CFR 732 letter dated June 17, 1997, plus additional amendments required by 30 CFR 914.16.

Environmental Compliance

Indiana administers its program in a way that effectively protects citizens and the environment from adverse impacts resulting from surface coal mining activities. Since 1991, environmental compliance by coal mining operators has significantly improved as can be seen in the decrease of Notice-of-Violations (NOV) issued from 1991 to 2005. *EY 2003 was for 9 months.



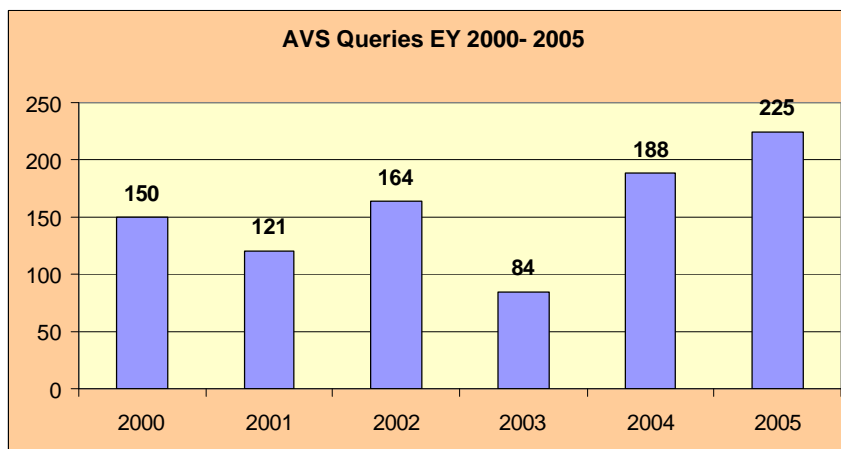
Blanket Emergency Approvals

In EY 2003, the IAO and the IDOR developed a Blanket Emergency Approval Agreement. This Agreement identified instances where the IDOR would not have to contact the OSM in advance for approval for expenditures for emergency projects which meet specified criteria. The initial Agreement specified that “pit” subsidence projects would be the only emergency project that met the criteria.

During EY 2005, the IDOR completed 5 emergency pit subsidence projects. The benefits realized by this new agreement was that the amount of time taken to address each project was reduced by one working day, and safety hazards that affected over 30 people were eliminated more quickly than under the previous emergency process, thus reducing the exposure of the public to hazardous situations and the possibility of injury or even death.

Applicant Violator System (AVS)

During the reporting period the IDOR complied with provisions of the April 1, 1991, Memorandum of Understanding with OSM and continues to comply with provisions requiring AVS checks of contractors for abandoned mine lands. Indiana continues to update ownership/control information on a timely basis.



Clean Stream Activities

Indiana continues to be an active participant in the ACSI. Historically, the IDOR has dealt primarily with two organizations that address clean streams projects. The southern portion of the Indiana coal field is represented by the Four Rivers RC&D and the northern portion of the coal field is represented by the Sycamore Trails RC&D. During EY 2005 the Four Rivers group was not active in the Clean Streams Program. The Sycamore Trails RC&D, remains active in the Partners for Reclamation Program described above, which includes receiving AML funding for ACSI projects.

The Enos Wetland Clean Streams construction project was ongoing during EY 2005. This project includes a 60 acre artificial wetland to process AMD from 200 plus acres of the old Enos gob pile near Arthur, Indiana. When completed, it is expected that the AMD produced by the gob pile will not need active treatment and the South Fork of the Patoka River will be further enhanced.

Currently, the only other ACSI project in progress is a one-year non-construction contract with the U. S. Geological Survey to operate/maintain a stream flow gauging station. Two small ACSI construction projects were completed in EY 2005.

Horizon Natural Resources Company Bankruptcy Issue

In EY 2005, the IDOR continued cooperation to resolve the Horizon Natural Resources Company (HNR) bankruptcy case. The HNR and its subsidiaries, having approximately 400 permits in seven states and reclamation bonds on these permits of approximately \$365 million, filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in 2002. The restructuring and reclamation plan included the sale of assets which became the property of other entities, which included about 20 permits in Indiana on approximately 15,000 acres guaranteed by \$61 million in reclamation bond. Although resolution is not complete, considerable reclamation progress has been made in Indiana.

National Abandoned Mine Land Reclamation Awards

Each year the OSM honors the best examples of abandoned mine land reclamation. The award winners are recognized as a leader in the field of mine reclamation that set the standards of excellence for the future, and help preserve and enhance the quality of American life. Previous Indiana AML award recipients are:

Indiana AML Award Winners

<i>Year of Award</i>	<i>AML Reclamation Project</i>
1992	Boonville Hospital RAMP Project
2000	Midwestern Reclamation Project
2002	Sunshine Mine
2003	Victory Mine
2004	Coles Creek

National Award, Peoples Choice Award, Mid-Continent Regional Award

The AML award recipients were recognized for:

- Reclaiming a site with a 35-foot highwall and a water-filled pit, both hazardous attractive nuisances to children who live nearby and attend the elementary school that borders the abandoned mine site. One side of the pit area, near a residential area, was caving in, and the other side was sloughing, posing a threat to an adjacent hospital. In reclaiming the site, the abandoned mine hazards were

eliminated and turned the site into a useful and attractive resource for the community.

- The reclamation of a 270-acre site by eliminating 4,400 feet of dangerous highwalls, coal refuse and spoil, plus 30 million gallons of acid water from slurry ponds. Coal combustion by-products were used to enhance the quality of water discharged from the site.
- Transforming barren and eroded abandoned mine refuse, that created sedimentation and acid mine drainage problems of adjacent streams, into an outstanding wildlife habitat much of which has become an area of intense human activity. Today, this reclaimed abandoned mine site is home to a championship cross country running course that is used by local high schools and colleges and became the site of the 2002 National Collegiate Athletic Association (NCAA) national championships. Over 10,000 people attended this event. This site has also been selected as the 2004, 2005, and 2006 NCAA Division 1, men's and women's Cross Country Championships. In addition, the site has a sports center with basketball courts, weight room, and other public activity rooms.
- Elimination of a 25-acre area of gob, slurry, mine drainage, and derelict buildings. The project included regrading refuse, spreading 100 tons per acre of agricultural lime, covering the material with four feet of soil, and planting vegetation. In addition, almost 5,000 linear feet of erosion control features were installed. Most drainage from the reclaimed site has been directed into a small wetland that improves site aesthetics, eliminates off-site sedimentation, and enhances water quality downstream.
- Prior to reclamation, this abandoned mine site consisted of gob covered roads, acidic impoundments, acid drainage problems, and 95-acres of barren gob. During reclamation all coal refuse was consolidated and encapsulated into one large area to eliminate its acid producing characteristics. Surface water was redirected through a series of shallow passive wetland treatment cells before leaving the site. The impoundments were planted with native vegetation and now provide water treatment and a diverse wildlife habitat.



Active Mining Reclamation Awards

The Indiana program has consistently been one that has encouraged operators to mine and reclaim responsibly. The positive interaction between the regulators and the industry is evident by the number of OSM Reclamation Awards that Indiana has received over the years. Since the inception of the OSM awards, the accomplishments of the following Indiana operators have been recognized:

<i>Year of Award</i>	<i>Company</i>	<i>Mine</i>
1988	Black Beauty Coal Company	Arlen
1989	Vigo Coal Company	Discovery
1990	Solar Sources	Skypoint
1990	Fowler Excavating	Bullock
1991	Foertsch Construction	Little Sandy
1992	Solar Sources	Pit 12
1997	Solar Sources	Pit 12 ¹
1999	Amax Coal Company	Ayrshire
2000	Black Beauty Coal Company	Columbia
2001	Triad Mining	Switz City
2001	Kindill Mining	Mine 2
2001	Black Beauty Coal Company	Mines in Indiana and Illinois ²
2002	Solar Sources	Skypoint ³
2003	Black Beauty Coal Company and United Minerals Company	Deer Ridge ²
2003	Squaw Creek Coal Company	Squaw Creek
2003	Vigo Coal Company	Cypress Creek ⁴
2004	Black Beauty Coal Company	Farmersburg

1- HALL OF FAME AWARD 2- DIRECTOR'S AWARD 3-25th ANNIVERSARY GOLD AWARD 4-GOOD NEIGHBOR AWARD

Examples of the outstanding reclamation that past Reclamation Award winners were recognized for are:

- Exemplary soil replacement, and for restoring the site to farmland, which is now producing a variety of crops, including hay, soybeans, and wheat;
- Eliminating abandoned mine problems, and restoring productivity to agricultural land. Wetlands were created and trees and shrubs were planted to provide a diverse wildlife habitat.
- The development of a Wildlife Management Area, managed to promote fish, wildlife, and related environmental values.
- Special soil handling methods were employed to meet productivity standards resulting in exemplary post-mining agricultural land.
- Reclamation that created some of the best reforestation and wildlife habitat to be found on reclaimed coal mine lands.

- Creating a unique fish and wildlife habitat which will be used for public recreation activities such as hunting, fishing, hiking, biking, and bird watching.
- Exceptional mining and reclamation by a small coal operator (under 100,000 tons per year) while returning the mine site to its pre-mining usage for row crops, pasture, and forestry, after losing just one growing season during actual mining.
- Creating exemplary wetlands that resulted in 44 shallow wetlands covering approximately 160 acres. In addition, there are 72 permanent impoundments covering approximately 246 acres. Many of the impoundments were constructed with remnant standing timber that provides protected bird nesting sites.
- Using native species of grasses to establish wildlife areas to add diversity and provide cover and food for grassland birds. These grasses produce hay crops, yield additional seed for planting natural grass areas, and provide wildlife with a unique habitat.
- Constructing a wetlands/flood control drainage system that eliminated continuous downstream flooding causing crop losses as well as flooding of Boonville, Indiana's waste water treatment plant, homes, and roads.
- Reclaimed land that is now producing above-average crop yields. More than double the amount of soil required by regulations was spread on the reclaimed land, much of which has been leased to local farmers. Reclamation has been so successful that it is difficult to identify where mining occurred.



VI. Success in Achieving the Purposes of SMCRA as Determined by Measuring and Reporting End Results:

Performance standard based reviews, along with public participation evaluations provide the IAO with a broad picture of:

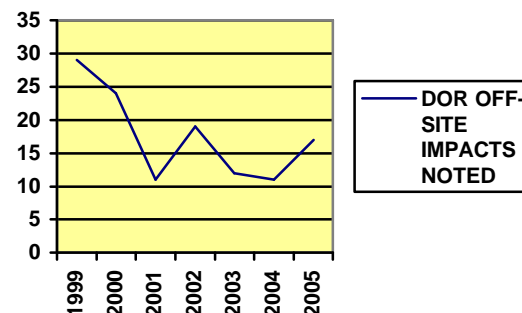
- The number and extent of observed off-site impacts;

- The number of acres that have been mined and reclaimed and which meet bond release requirements for the various phases of reclamation; and,
- The effectiveness of customer service provided by the State.

Individual topic reports, available in the IAO, provide a detailed analysis and information concerning how the evaluations were conducted and how the conclusions were reached.

A. Off-Site Impacts:

A primary focus of SMCRA is the protection of the public, property, and the environment from adverse effects of active coal mining operations. The goal, therefore, is that there be no impacts, or no greater than minimal impacts, outside the permit area. To accomplish this goal, State programs strive to continually decrease the occurrence of off-site impacts.



The IAO and IDOR conducted a joint evaluation in EY 2005 to determine the effectiveness of the State program in protecting the public and the environment from off-site impacts caused by surface mining and reclamation operations. Conclusions were based on data from IAO complete oversight inspections along with data reported by the State.

The IDOR inspected a total of 116 inspectable units (a total of 1,888 individual inspections were conducted) in EY 2005, and found 17 off-site impacts on 8 inspectable units. Of the 116 inspectable units, 93.1 (%) were absent any off-site impacts. The 17 off-site impacts observed by the IDOR during this evaluation year are more than the previous year, but the percentage of sites with no off-site impacts was slightly more. The IDOR observed 17 off-site impacts in EY 2005, 11 in EY 2004, 12 in EY 2003, 19 in EY 2002, 11 in EY 2001, 24 in EY 2000, and 29 in EY 1999.

It should be noted that, even though ideally the goal is not to have any incidents occur, the realistic goal in OSM's FY 2005, Annual Performance Plan is to maintain the percentage of sites free of off-site impacts at 94 percent.

The numbers of off-site impacts the IDOR observed during the evaluation year were few. Most observations were minor hydrologic impacts on land and water resources.

In EY 2005, the IAO observed 5 off-site impacts in the course of making complete inspections on 49 inspectable units. The IAO issued 2 Ten-Day Notice

in EY 2005 relating to off-site impacts. The IFO found 89.8% of the inspectable units it inspected were absent any off-site impacts.

The IAO concludes that the insignificant numbers of identified on-the-ground impacts and violations substantiate that the State is administering a successful surface mining regulatory program. The IAO recommends that the State continue to ensure mining is being conducted in such a manner.

B. Reclamation Success:

Thousands of acres of land affected by surface coal mining are successfully reclaimed each year as noted in Table 5 of this report.

The IAO conducted site visits at 12 permanent program surface mines and evaluated 1,523.9 phase I acres, 1,482.6 phase II acres and 3,367.2 phase III acres that the IDOR subsequently released. The IAO agreed with the IDOR that these acres met the reclamation requirements to be eligible for release of bond except for 20.6 phase I acres (1.4%), 21.4 phase II acres (1.4%), and 3.0 phase III acres (.09%) at one mine. Therefore, the IAO concludes that the IDOR is ensuring successful reclamation on lands affected by surface coal mining operations.

Specifically, the following elements were evaluated for successful reclamation:

Land Form/Approximate Original Contour and Soil Replacement

The criterion for determining whether reclaimed lands are reconstructed appropriately is whether it has been returned to its approximate original contour (AOC), including soil replacement. For the purposes of this evaluation Phase I bond releases were used as the indicator that the AOC had been achieved and soils had been replaced. For the evaluation period, approximate premining contour, including soil replacement, was achieved on 4,389.4 acres. To date approximately 102,817 acres have met the criteria for, and have been granted, Phase I bond release.

Surface Stability and Establishment of Vegetation

For the purposes of this evaluation, surface stability and the establishment of vegetation were measured by the acres of Phase II bond released. For EY 2005, Indiana was successful in achieving surface stability and in establishing vegetation on 5,084.7 acres.

Based on the IAO analysis of data supplied by the IDOR, between 1983 and June 2005, approximately 91,876 acres of mined land have met the criteria for Phase II bond release.

Establishment of Post Mining Land Use and Productivity Restoration

Post mining land use was achieved by establishing successful and appropriate vegetative cover. This includes restoring productivity, where appropriate. The IAO measured this element of reclamation success by the number of acres receiving Phase III bond release. For the evaluation period, 8,069.6 acres had Phase III bond released.

Based upon the IAO analysis of data supplied by the IDOR, between 1983 and June 2005, approximately 72,044 acres have been fully reclaimed and the post mining land use and appropriate vegetative cover achieved, including restoration of productivity where appropriate.

Hydrologic Reclamation

The successful restoration of surface and ground water quality and quantity was measured by the accounting of acres of Phase III bond release achieved. Indiana released 8,069.6 acres for Phase III during the evaluation period and a total of approximately 72,044 acres since 1983.

Contemporaneous Reclamation

The OSM Directive, REG-8 defines contemporaneous reclamation to be the difference in time between when lands are disturbed and when they achieve phased bond release. There has been considerable discussion about whether this is a valid measure of contemporaneous reclamation. This discussion has taken place both within OSM and with the various State regulatory authorities. The results shown in the chart and table below represent the best effort under REG-8 at assessing contemporaneous reclamation.

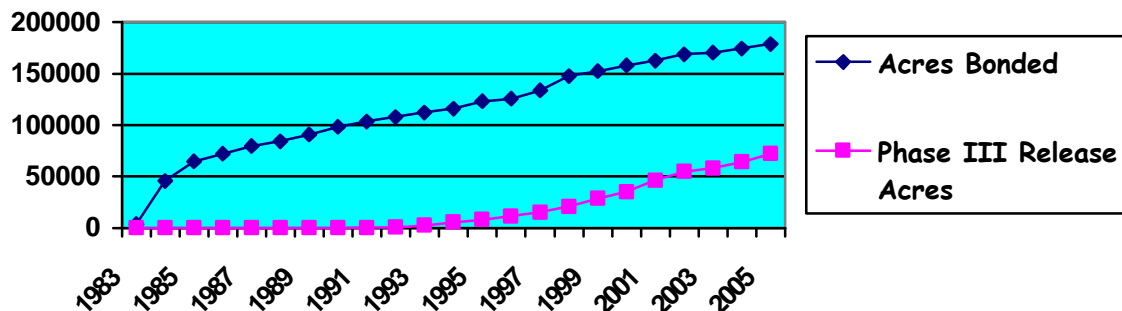
Acres of Bond Released 1983 - 2005

YEAR	BONDED	PHASE I	PHASE II	PHASE III
1983	3831	0	0	0
1984	42022	178	0	0
1985	18698	461	0	0
1986	7481	3069	0	0
1987	7463	5147	3708	0
1988	4815	4789	3365	0
1989	6544	5151	5769	0
1990	7501	2966	2549	0
1991	5219	3250	2006	459
1992	4335	4908	2898	298
1993	4292	2481	1915	1619
1994	3833	3148	4095	3112
1995	7150	5172	2778	2636
1996	2451	4548	3777	3517
1997	7981	7734	4814	3725
1998	14107	8549	8080	5500
1999	4780	4403	6110	7706
2000	5616	9914	6491	6544
2001	4566	7316	14386	11268
2002	6102	5004	5887	8408
2003**	1783	4965	3453	3410
2004	3953	5275	4710	5775
2005	4211	4389	5085	8070
TOTAL	178654*	102817	91876	72044

*THIS NUMBER DOES NOT REFLECT THE REMOVAL OF ACREAGE RELEASED AS NOT AFFECTED, NOR THE ACRES REPERMITTED AND BONDED. THE ACTUAL FINAL BONDED ACREAGE CAN BE SIGNIFICANTLY SMALLER THAN THIS.

** EY2003 IS FOR A 9 MONTH PERIOD (OCTOBER 1, 2002 – JUNE 30, 2003)

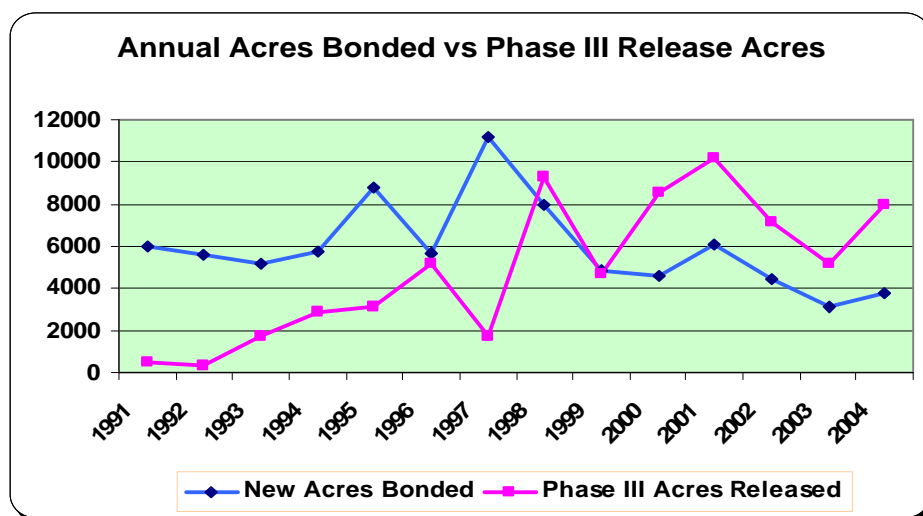
Cumulative Acre Total 1983 - 2005



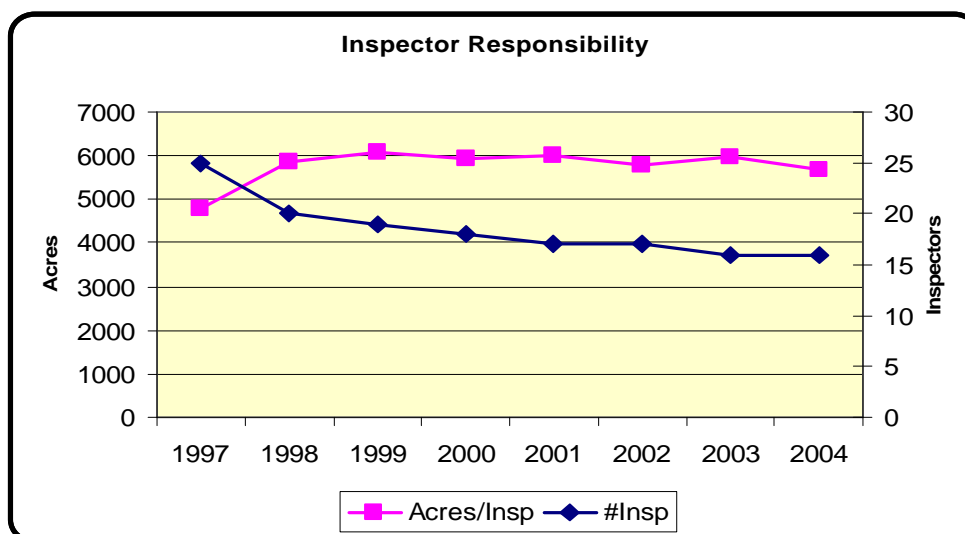
A general picture of how successfully reclamation is staying current with mining was made by the IAO by comparing the number of acres affected

to the number of acres on which phase III bond was released by the IDOR from November 1, 2000, to October 31, 2004. For measurement of contemporaneous reclamation, the IDOR provided IAO data showing that 13,866 acres were affected, and 33,369 acres were phase III released.

This number, along with findings that only one violation of the requirement for contemporaneous reclamation was identified during IAO complete mine site evaluations in Indiana during EY 2005, is a good indication that reclamation is staying current with mining.



The current bonded acreage inventory has continued to decrease slightly from 2003 due to the number of phase III acres being released is greater than the number of new acres being bonded. This has allowed the IDOR to adjust staffing levels to provide improved customer service. The following chart captures the change in inspector responsibility from 1997 through 2004.



C. Customer Service

Effective customer service is an essential component of the regulatory program, and a responsibility that State regulatory authorities assume in carrying out the purposes of SMCRA. An evaluation of customer service performance is one of three required national measurement elements OSM policy calls for in each annual evaluation plan. This EY 05 evaluation determined the effectiveness of customer service provided by the State in responding to written citizen comments received in the permitting process. The IAO conducted an evaluation of the State's customer service pursuant to provisions in 312 IAC 25-4-111, which defines a citizen as "Any person whose interests are or may be adversely affected...."

The IAO reviewed applications for a permit, revision, or renewal received by the DOR between July 1, 2001, and June 30, 2004, for which there were citizen comments. The IAO evaluated DOR responses to written statements from private citizens having an interest which is or may be adversely affected by the decision on the application. The IAO reviewed DOR responses to 99 citizen comments/objections.

The IAO reviewed twenty-four (24) permit actions. A total of seventy-one (71) written citizen comments were received pertaining to these twenty-four separate permit actions. Twenty-eight (28) additional comments were received at informal conferences for some permit actions as noted in Attachment A, which were oral. These comments were captured on tape and the DOR responded to them in the findings document. Generally, though, when several such oral comments were received many were repetitive, so the DOR categorized them by topic and summarized them, then responded in the findings document by topic. The work plan for this evaluation called for reviewing written comments since appropriateness of response could best be evaluated. However, the reviewers did note the non-written, and considered all 99 DOR responses to be proper as defined above.

The IAO found that the DOR responded appropriately, in keeping with the above evaluation criteria, to all 99 comments.

As a result of its evaluation, the IAO concluded that the DOR is successfully providing customer service with respect to its response to citizen comments to permit actions.

VII. OSM Assistance

The primary mode of OSM assistance to Indiana is through grant funding. The amount of grant funding awarded to Indiana for the operation of the Regulatory Program in EY 2005 was \$1.99 million. OSM provided 50% of the total funding necessary for Regulatory Program operation. OSM provided 100% funding for the Abandoned Mine

Land Program in Indiana, which totaled \$5.83 million in EY 2005. Over the previous five years, OSM has awarded grants to Indiana totaling \$9.99 million for Regulatory Grants and \$27.57 million for the AML Grants. The following table contains the grant amounts for each of these five years.

Grants Awarded in Indiana
(Dollars are in Millions)

<i>Year</i>	<i>Regulatory Grant Amount*</i>	<i>AML Grant Amount**</i>
2005	\$1.99	\$5.83
2004	\$1.94	\$5.70
2003	\$2.38	\$5.33
2002	\$1.87	\$5.23
2001	\$1.81	\$5.48

* Regulatory Grant Year is October 1 – September 30

** AML Grant Year is April 1 – March 31

Additionally, assistance is provided as outlined below:

- Technical training courses are offered by OSM throughout the year, which address technical and programmatic aspects of mining and reclamation. These courses are provided for OSM and State participants as well as industry and others on a space available basis.
- OSM continued to work with the IDOR and the U.S. Fish and Wildlife Service in EY 2005 to develop a set of mining related guidelines for protection of Indiana bats in areas proposed for mining in Indiana. A draft document, “Indiana Bat Conservation Measures” was developed, and some conservation measures are being implemented by the IDOR through the permitting and inspection process. Even though the draft plan has not been approved by the FWS because of disputes, the proposal with the contested issues in place has been moved up the management levels at the IDOR to elevate the discussion as prescribed in the National Biological Opinion. During the winter of 2004/5 the draft document was reviewed by industry officials. The industry requested a meeting with the IDOR and the FWS, but has not yet been held. This project will apparently continue into 2006.
- OSM provides the Technical Information Processing System including local workstations and software for State use. The OSM also provides training and support. Indiana uses the system for a variety of tasks related to permit application processing and other technical or engineering evaluations. The technical staff continues to work with the State to develop and implement an electronic permitting program.

- Informal discussions occur between OSM and State management and staff that result in a good working relationship. Informal assistance is provided regarding field or implementation issues on a continual basis.
- The Chief of the Alton Field Division/IAO sits on the Board of the Indiana Society for Mining and Reclamation. This is a diverse group that includes membership from OSM, the IDOR, Department of Commerce, citizens, industry, academia and power industries. The group's focus is to identify topics of interest and to sponsor a Technology Transfer Seminar each year. On December 6 and 7, 2004, the Seminar was held in Jasper, Indiana. 127 participants, from all factions of the public and private sectors, attended. Topics presented ranged from, "Geo-physical Methods to Detect Underground Mine Voids"; "Surety Bonds and their Role in the Mining Industry"; to "the Use of Dredged Materials and Alkaline Activated Coal Ash for Abandoned Mine Reclamation."
- The OSM continues to participate on the Indiana Soils/Prime Farmland Team and assist in addressing the technical aspects of prime farmland restoration. The team is composed of representatives of the coal mining industry, a private consultant, the Natural Resources Conservation Service, Purdue University Agronomy Department, Purdue University Cooperative Extension Service, the Indiana Department of Agriculture, the Daviess County Soil and Water Conservation District, the Indiana Farm Bureau, besides OSM and the IDOR. As described above, the team is currently developing a guidance brochure about the management of post-mine agricultural lands. In addition, the team sponsored a Prime Farmland Reclamation Field Day at the Black Beauty Coal Company's Francisco Mine near Francisco, Indiana on June 30, 2005.
- OSM is a member of the IDOR AML Subsidence Team, which was formed during 1999 and continues today. The focus of the team is to develop proactive methods for prevention and minimization of damages related to mine subsidence. Three initiatives have been completed thus far. First, the team contributed information concerning subsidence for an information booklet the State is putting out entitled "What You Should Know About Living Near Indiana Coal Mines" designed to help land developers, homebuyers, and others understand the risks and technical issues associated with buying and building in previously mined areas. Second, in 2003, the team developed specifications for and solicited a contractor to install a subsidence early warning system into the Loge Elementary School in Boonville, Indiana. The system is the first in the region and will demonstrate the feasibility of such systems for protecting public safety in subsidence prone areas. Lastly, the team enlisted the IGS to begin developing a GIS based protocol for prioritizing subsidence prone areas for preventative reclamation under the AML Program. OSM contributions in the three areas described above have largely been completed, but OSM assistance continues.
- OSM continued assistance to the IDOR in designing an acid mine drainage treatment wetland at the Enos tippie and gob pile project requested in EY 2004.

OSM had evaluated possible treatment options and provided project planning CAD drawings, and project construction got underway in EY 2005. OSM's assistance is near completion.

- OSM responded to a request from the AML Program to assist in GPS surveying for remote sensing control on the Program's Interlake Project. Field work was completed in May 2005, and data was processed in collaboration with the AML Program staff.
- OSM worked with the AML Program staff on water chemistry and passive treatment design options for the Blackfoot AML site. Water samples were taken, test results provided to the State, and various recommendations relative to data collection efforts were provided by OSM during EY 2005.
- In October 2004, OSM conducted a three day AMD Workshop in Evansville, Indiana in response to a request from the State. Participants examined case studies of active and passive AMD treatment systems in a variety of geologic settings, and engaged in practical exercises included in field trips.



VIII. General Oversight Topic Reviews

In addition to the off-site impact and land restoration reviews, OSM conducted oversight activities in the program areas listed below. Copies of oversight documents relating to these topics may be obtained at the IAO office or by requesting specific reports by mail at the following address:

Office of Surface Mining Reclamation and Enforcement
Indianapolis Area Office
575 North Pennsylvania, Room 301
Indianapolis, Indiana 46204

The IAO can also be contacted by E-mail at IFOMAIL@osmre.gov.

Complete Inspections: The workplan in this area was designed to allow the IAO to gather information, which would then be used to generate an overview of the “on-the-ground” impacts of surface coal mining and reclamation. A sample of 50 complete inspections was selected with 49 of them being completed during the review year. As indicated in the off-site impact section above, the inspections indicated that Indiana maintains and administers an effective program that meets all SMCRA requirements.

Evaluation of Reclamation Vegetation Success: At the State's request, OSM Indianapolis Area Office assistance in conducting an AML re-vegetation study was included in the 2003 Evaluation Year (EY) Performance Agreement. The purpose of this activity was to determine possibilities for enhancing efficiency and effectiveness in the AML re-vegetation effort. This was proposed to be achieved by inspecting and analyzing vegetation on post-reclamation AML sites.

A team, consisting of three DOR staff members and an IAO staff member, was formed to conduct the study. It was anticipated that an examination of completed projects of varying ages, and seeding and management regimens, would help identify the most successful and cost effective reclamation strategies.

In EY03 the evaluation team developed sampling methodology, identified sites, and began conducting field surveys. Surveys involved plant species identification, including volunteer species, estimating ground cover, determining survival of original plantings and diversity of species, and evaluation of over-all effectiveness in relation to existing post-reclamation land use. It was necessary to review a fairly broad range of reclamation sites, and although several sites were visited in EY 2003, much more data is required to draw valid conclusions. The evaluation effort extended through EY 2004 and into EY 2005.

In EY 2005, OSM direct assistance was culminated. The study provided information gleaned from the survey of twenty-six (26) post-1992 reclamation sites. While overall re-vegetation was considered successful, much information was amassed to help determine possibilities for enhancing the efficiency and effectiveness of the program's re-vegetation program by modifying the species mix and management regimes on some future sites.

Because of the enhancement potential from this kind of evaluation, it is being considered by the State Program as an ongoing self-evaluation and improvement effort.

Study of Residential Development on Abandoned Lands: At the State's request, the EY 03 Performance Agreement included a joint Indiana AML Program-OSM/IAO study of the issues surrounding an increasing trend toward residential development on un-reclaimed abandoned mine lands. This study examined the implications of site development problems associated with building dwelling houses on potentially hazardous mined land, and the AML Program's role and responsibilities in relation to such occurrences.

During EY03 the AML Program determined that first it should deal with the issue from an educational outreach standpoint. People should be aware that choosing to build a house on certain abandoned mine sites places them and their property in jeopardy the same as building in floodways and on unstable shorelines. Consequently, a booklet was drafted to serve as a guide for landowners, developers and local officials to better assess abandoned mine lands before building. Work toward producing the booklet in final form, and assistance rendered by the IAO continued in EY 2004. A booklet was drafted entitled, "What You Need To Know About Living Near Indiana Coal Mines", to inform

the public, local officials, and others instrumental in having abandoned mine lands developed for residential, industrial, or other uses that could place people in jeopardy.

In EY 2005 this publication was finalized and ready for publication. However, the AML Program was not able to do the printing during EY 2005, so the cooperative effort was concluded. Publication and distribution of the booklet through local organizations remain to be done. Printing and distribution of the publication will be the responsibility of the Indiana Program when opportunity avails itself.

Indiana's Data Entry into the Abandoned Mined Land Inventory System: This evaluation began as a result of an Audit Report: Inventory System and Performance Results of the Abandoned Mine Land Program, Report No. 2003-I-0074. In order to implement a remedy for the Inspector General's finding, and the recommendation to "Establish a quality control system that ensures that States, Tribes and OSM, as applicable, review and certify the accuracy of data entered into AMLIS," the IAO requested documentation of the system utilized by the IDOR ensuring accuracy of AMLIS data and certification that the system exists. The IAO received documentation of the procedures that are in place to maintain and verify the accuracy of AMLIS information with a signed certification that the procedures are in place.

Annually, starting in EY 2005, the IAO will review a random sample of the information entered in AMLIS during the year to verify that it matches the information maintained in hard copy.

Post-Construction Site Inspections: The Evaluation Year (EY) 2005 Indiana Performance Agreement included an AML oversight evaluation of Post-Construction Project Inspections. This oversight activity was a cyclical review of on-the-ground/end-results of reclamation success. It focused on completed, non-emergency, federally funded reclamation projects. Its purpose was to evaluate the long-term success of reclamation that results in a net benefit to society.



The findings of this evaluation were that reclamation: (1) was overall successfully accomplished; (2) resulted in a net benefit to society; (3) met program goals; and (4) was cost-effective. Normal maintenance needs were noted on a couple of sites. These findings led to the conclusion that the potential for long-term success is very good.

APPENDIX A:

These tables present data pertinent to mining operations and State and Federal regulatory activities within Indiana. They also summarize funding provided by OSM and Indiana staffing. Unless otherwise specified, the reporting period for the data contained in all tables is the same as the evaluation year. Additional data used by OSM in its evaluation of Indiana's performance is available for review in the evaluation files maintained by the Indianapolis OSM Office.

TABLE 1 – COAL PRODUCTION.....	T-1
TABLE 2 – INSPECTABLE UNITS.....	T-2
TABLE 3 – STATE PERMITTING ACTIVITY	T-3
TABLE 4 – OFF-SITE IMPACTS	T-4
TABLE 5 – ANNUAL STATE MINING AND RECLAMATION RESULTS	T-5
TABLE 6 – OPTIONAL (NOT USED)	
TABLE 7 – STATE BOND FORFEITURE ACTIVITY.....	T-7
TABLE 8 – INDIANA STAFFING.	T-8
TABLE 9 – FUNDS GRANTED TO INDIANA BY OSM	T-9
TABLE 10 – INSPECTION ACTIVITY.....	T-10
TABLE 11 – ENFORCEMENT ACTIVITY.....	T-11
TABLE 12 – LANDS UNSUITABLE ACTIVITY.....	T-12

APPENDIX B:

This Appendix contains the Indiana Department of Natural Resources, Division of Reclamation comments on the draft Evaluation Report, which the IAO received on August 19, 2005. A photocopy of the State's comment follows this page.

The Alton Field Division Chief's disposition of the State's comments is presented below.

Disposition of Comments:

- Comment 1. The chart years are shown in increments of 2 years, beginning in 1979. Therefore 2004 is not displayed.
- Comment 2. The chart lists only OSM AML award winners and not those projects that have received recognition by parties outside of OSM.
- Comment 3. Solar Sources Sky-Point mine is already included in the chart.
- Comment 4. Wording has been revised.
- Comment 5. Spelling corrected.

R.R #2, Box 129
 Jasonville, IN 47438
 August 17, 2005

Mr. Andy Gilmore
 Office of Surface Mining
 Reclamation & Enforcement
 Minton-Capehart Federal Building
 575 N. Pennsylvania Street
 Indianapolis, IN 46204-1522

Re: Comments on Draft Annual Evaluation
 Summary Report for EY 2005

Dear Mr. Gilmore:

After reviewing the draft report we had some minor comments.

On page 3 the chart indicating annual coal production 1979-2004 was missing the "04 year at bottom of table.

Page 8 on the Indiana AML Award winners chart add 1996 Tecumseh Project won the "Abandoned Mine Land Engineering Excellence Grand Award.

On Page 10 the Active Mining Reclamation Awards chart should be updated to include Solar Source's Sky-point mine won OSM's 25th anniversary gold award for the best of the best in last 25 years in 2002.

On page 16 delete the sentence ~~"The increasing bonded acreage inventory has added substantially to the administrative costs of the regulatory authority.~~ And rephrase the following sentence to "The current bonded acreage inventory has continued to decrease slightly from 2003 due to the number of phase III acres being released is greater than the number of new acres being bonded. Delete the sentence ~~"The average number of acres assigned to inspector has stabilized since 1998.~~

On page 23 under the table of contents "Table 1-Coal Roduction" should be read Coal Production.

All data shown on Tables 1-12 was consist with what had been submitted and Table 4 was revised appropriately per on our discussion. We appreciate the opportunity to comment on the draft reports and if you require any additional information please don't hesitate to contact our office.

Sincerely,

Brock A. Mayes
 Project Coordinator
 Division of Reclamation

cc: Tim Taylor